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SCAN FOR DETAILS

PINK ERA ENDS

The Star Business is forced to part with the pink, as the Russian invasion of Ukraine has thrown the global newsprint supply into a perfect chaos. From today, your favourite section comes out in white newsprint like rest of the newspaper. We hope, you may like the Star Business even more in that way! Fingers are crossed.

-Editor

Public food stocks drop on increased distribution

SOHEL PARVEZ

Food stocks at public storages declined over the past two months from the peak of nearly 20 lakh tonnes in mid-February this year amid increased distribution under various social protection programmes.

Public food distribution, including under open market sales and fair price programme, jumped 36 per cent year-on-year to 23.67 lakh tonnes in the July-March period of the current fiscal year, according to the food ministry data.

As a result, rice and wheat stock at the state depots dropped to 14.92 lakh tonnes as of April 12. Yet this was over three times higher than the 4.72 lakh tonnes recorded on the same day a year ago.

Mosammat Nazmanara Khanum, secretary to the food ministry, said public stocks would increase in the coming months as the ministry was set to start procuring paddy and rice in the Boro harvesting season of April and May.

The food ministry targets to buy 6.5 lakh tonnes of paddy and 11.50 lakh tonnes of parboiled rice during the Boro season.

The government would procure paddy at Tk 28 per kilogramme from April 27 while rice at Tk 40 per kilogramme from May 7.

"We will face no problem unless there is a major natural disaster," Nazmanara said.

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No major progress in post-LDC preparation

REFAYET ULLAH MIRDHA

Bangladesh is yet to make any significant progress in its preparation to retain duty preference set to be withdrawn once it graduates from the group of the least-developed countries (LDCs).

Riding on steady economic growth and social sector gains, the country is on its course to becoming a developing country in 2026.

With this, Bangladesh will lose its duty-free access in major markets and other benefits it enjoyed since its inclusion to the group in 1975.

LDCs benefit from a number of dedicated international support measures in the areas of trade, official development assistance and others, including travel support to United Nations meetings and reduced budgetary contributions to international organisations.

After graduation, countries no longer benefit from these support measures, according to the LDC portal of the UN. The vast majority of development partners, however, continue to support countries even after they have graduated.

As time is running out fast, Bangladesh has moved to sign free trade agreements (FTAs) and preferential trade agreements (PTAs) with major trading partners to retain the duty benefit.

In its Eighth Five Year Plan and the Export Policy for 2021-24, the government said it plans to sign FTAs and PTAs with major trading partners.

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Bangladesh has, so far, been able to strike a PTA with Bhutan. And talks are underway to ink the Comprehensive Economic Partnership Agreement (CEPA) with India.

The government plans to pen trade deals with India, China, Malaysia, Vietnam, Japan, and the countries under the Association of South-East Asian Nations (Asean), the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and the Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Some high-powered committees have been formed to address the issues related to graduation. The government is in talks with some major trading partners to sign trade agreements.

to ensure a smooth transition from the group.

The country has become a manufacturing hub, particularly for garment items, on the back of trade benefits.

But because of the lacklustre preparation, Bangladesh risks losing markets by 10 to 20 per cent in the post-LDC period because of the end of duty preference.

Currently, Bangladesh enjoys duty benefits under the Generalised System of Preferences (GSP) in 38 countries. Of the total export earnings, 74 per cent is covered by the benefits granted to LDCs.

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LDC GRADUATION

Duty erosion may cost \$5b in EU market: study

STAR BUSINESS REPORT

Bangladesh is likely to lose \$5.28 billion worth of businesses annually in the European Union in the post-LDC era because of the erosion of preferential trade benefits following the country's graduation from the group of the least-developed countries, according to a new study.

Currently, Bangladesh enjoys tariff benefits in 38 countries as an LDC. But the duty-free trade benefit will not exist mostly once the country graduates to become a developing country in 2026 unless deals are signed to retain the support.

Goods bound for the EU market would be subjected to an 8.91 per cent tariff in the post-LDC period. As a result, 26.28 per cent of the exports to the bloc would be affected, showed the study.

Mostafa Abid Khan, a former member of the Bangladesh Trade and Tariff and Commission (BITTC), presented the findings of the study at a seminar on "Export Challenges of Bangladesh after Graduation from LDC Status: Options for the Private Sector" organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at its office in Dhaka yesterday.

The study was prepared with data from the World Trade Organisation (WTO) to estimate the country's potential losses of businesses in five major export destinations following graduation.

Bangladesh may lose \$536 million worth of exports, which account for 42.05 per cent of the shipment to Canada, where exporters will face a 14.47 per cent duty.

In Japan, the loss might stand at \$388.12 million, representing 30.53 per cent of the exports to the world's third-largest economy. Exports would come under an 8.89 per cent duty in the post-LDC period.

In Korea, Bangladesh will face a 7.94 per cent duty and lose businesses amounting to \$87.78 million, which makes up 27.53 per cent of the shipment to the country.


There is a risk of suffering a loss of \$76.55 million in China, or 8.29 per cent of the total merchandise sales, owing to a 2.96 per cent tariff.

Exporters may face 4.62 per cent duty in New Zealand and lose \$10.13 million, which is 11.90 per cent of the total export value, the study said.


The study estimated the business loss in the five export destinations at \$6.38 billion.

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BANGLADESH TO LOSE




Preferential market access for goods




Preferential treatment for services and service suppliers



Special treatment regarding obligations under WTO rules



Discounts on the contribution to UN budgets



Travel support to UN meetings

WHAT'S WHAT

Bangladesh enjoys duty benefit under GSP in **38** countries


Of export earnings, **74pc** covered by LDC benefits

Bangladesh risks losing markets by **10-20pc** in post-LDC period


Govt will have to fulfil **27** int'l conventions to secure GSP Plus

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BENEFITS TO CONTINUE



Bangladesh to enjoy duty benefit in the EU up to 2029



Australia to continue the duty privilege after graduation

Shrimp exports turn around

STAR BUSINESS REPORT

Shrimp exporters have made a turnaround from seven years of decline as shipments surged in the first nine months of the current fiscal year on the back of increased prices powered by higher demand, according to industry insiders.

Earnings from shrimp exports between July and March in the ongoing fiscal year stood at \$332.72 million, up 37 per cent from \$242.88 million during the same period in FY2020-21, according to data from the Export Promotion Bureau.

The total yearly value for shrimp exports has been lodged in a downward trend since FY2013-14, when it was \$545 million.

Industry operators say that many processing companies resumed shrimp exports as they are getting higher prices in the international market after tackling the strong competition from producers in other countries.

"Even though total production has not increased by much, we are seeing around 30 per cent higher prices compared to last year as the demand, particularly for black tiger shrimp, has increased in places like the EU," said M Khalilullah, managing director of Satkhira Foods Ltd.

"Local producers are expecting to export more vannamei shrimps in the future to tackle global demand," added Khalilullah, also senior vice president of the Bangladesh Frozen Foods Exporters Association.

S Humayun Kabir, chairman and managing director of Amam Sea Food Industry Ltd, told The Daily Star that around 80 per cent of the global market is occupied by vannamei shrimps while the black tiger variety holds 11 per cent and giant river prawns 5.5 per cent.

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Shrimp being processed for export at a factory of Atlas Seafood in Rupshaghat of Khulna. Industry people say many processing companies have resumed shrimp exports as they are getting higher prices in the international market.

PHOTO: HABIBUR RAHMAN

One-fifth of Boro in haor areas harvested

STAR BUSINESS REPORT

Farmers in the haor regions harvested nearly one-fifth of their Boro paddy as of yesterday, according to an estimate by the Department of Agricultural Extension (DAE).

Growers planted paddy on 452,000 hectares of land in the haor areas, comprising seven districts, this year, said a senior official of the DAE.

The haor regions account for 16 per cent of the total production of the Boro crop and usually remain vulnerable to flash floods just ahead of the beginning of the harvest or during the harvesting period.

This year, the onrush of water submerged more than 7,000 hectares of Boro crop land in the haor region, which comprises Sylhet, Sunamganj, Netrokona

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